

ARTICLES OF INCORPORATION AND ARTICLES OF AMENDMENT ARE NOT EFFECTIVE ~~[[UNTIL]]~~ UNLESS THE COMMISSIONER, BY WRITTEN ENDORSEMENT ON ~~[[IT, APPROVES]]~~ THEM, HAS APPROVED THE ARTICLES AS BEING IN ACCORDANCE WITH THE INSURANCE LAWS OF THE STATE.

REVISOR'S NOTE: This section presently appears as Art. 48A, §251.

In subsection (b) of this section, the word "effective" is substituted for the word "operative" to conform to general usage in this article.

The only other changes are in style.

6-505. PREREQUISITES TO SOLICITATION OF APPLICATIONS OF PREMIUMS BY PROSPECTIVE MUTUAL INSURER.

(A) SOLICITATIONS OF APPLICATIONS OR PREMIUMS FOR PROSPECTIVE POLICIES.

A PERSON PROPOSING TO FORM A MUTUAL INSURER MAY NOT SOLICIT IN THE STATE APPLICATIONS OR PREMIUMS FOR POLICIES OF THE PROSPECTIVE INSURER UNTIL THE PROSPECTIVE INSURER HAS FURNISHED THE COMMISSIONER WITH EVERY PARTICULAR RELATING TO THE METHODS AND PROPOSED COST OF THE PROMOTION.

(B) FUNDS REQUIRED BEFORE SOLICITING APPLICATIONS.

(1) BEFORE A PERSON SOLICITS APPLICATIONS OR PREMIUMS FOR POLICIES OF A PROSPECTIVE MUTUAL INSURER, HE SHALL HAVE IN HIS POSSESSION FUNDS ACQUIRED IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 48A, § 266 OF THE CODE IN THE AMOUNT OF:

(I) \$125,000, IF HE IS TO SOLICIT APPLICATIONS OR PREMIUMS FOR ANY ONE KIND OF INSURANCE BUSINESS, AS SET OUT IN ARTICLE 48A, § 48 OF THE CODE; OR

(II) \$250,000, IF THE SOLICITATION IS TO BE FOR TWO OR MORE KINDS OF INSURANCE BUSINESS.

(2) THE FUNDS SHALL BE HELD IN CASH OR IN INVESTMENTS AUTHORIZED FOR CAPITAL AND RESERVE UNDER SUBTITLE 7 OF ARTICLE 48A OF THE CODE.

(C) LICENSE REQUIRED; INVESTIGATION OF APPLICANT'S RECORD.

(1) A LICENSE FROM THE COMMISSIONER IS REQUIRED FOR ANY PERSON PROPOSING TO FORM A MUTUAL INSURER.